



METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Fifth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Memorandum

Agenda Item 3a

TO: Operations Committee

DATE: May 2, 2014

FR: Executive Director

W.I. 310-2700, 320-2700, 320-1221

RE: Contract Actions – Operations and Consultant Support for Clipper®

- i. Purchase Order – Network Services: AT&T (\$450,000)
- ii. Contract Amendment – Electronic Payment Implementation and Operations On-Call Consultants: Auriga Corporation (\$200,000)
- iii. Contract Change Order – Operational Enhancements for Clipper® Operators: Cubic Transportation Systems, Inc. (\$450,000)
- iv. Contract Change Order – Annual Price Adjustment: Cubic Transportation Systems, Inc. (\$250,000)

Clipper® continues to get excellent reviews from customers. The annual Clipper® customer survey found that customer satisfaction is very high (90%), and 98% of respondents would recommend Clipper® to others. The program's success is also reflected in recent ridership trends: Clipper® set an all-time record of 755,000 average weekday boardings during the week of March 14. Staff is working hard to boost these numbers, coordinating with Napa/Solano transit operators to launch Clipper® on their systems in the fall, and preparing for acceptance of Clipper® on the new BART Oakland Airport Connector.

The items in this memorandum reflect contract renewals to support ongoing operations of the Clipper® system.

Contract Actions

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into the following contract actions:

i. Purchase Order – Network Services: AT&T (\$450,000)

AT&T provides network services for the Clipper® system that enable connections between card readers, other Clipper® devices, data servers, and the Clipper® Central System. This Purchase Order would cover both network operations and installation services during FY 2014-15.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into a purchase order with AT&T in an amount not to exceed \$450,000 for the services described above, subject to Commission approval of the FY 2014-15 agency budget.

ii. Contract Amendment – Electronic Payment Implementation and Operations On-Call Consultants: Auriga Corporation (\$200,000)

This Committee previously approved Auriga Corporation (Auriga) as part of the Clipper[®] Electronic Payment Implementation and Operations bench in May 2013, and MTC executed a contract with Auriga in 2013 that expires on June 30, 2016. Under this amendment, Auriga would provide ongoing program management, strategic planning, and operational monitoring and reporting support services for the customer service and associated operations functions of the Clipper[®] program.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into a contract amendment with Auriga in an amount not to exceed \$200,000 for the services described above, subject to Commission approval of the FY 2014-15 agency budget.

iii. Contract Change Order – Operational Enhancements for Clipper[®] Operators: Cubic Transportation Systems, Inc. (\$450,000)

This Contract Change Order supports design and implementation of time-sensitive changes to the Clipper[®] system. MTC and Cubic Transportation Systems, Inc. (Cubic), would execute low-value task orders, as needed, to enable completion of operational improvements to the system design and functionality. For example, task orders would cover common transit operator requests such as moving existing equipment to new locations, moving third party retail locations, and making minor software modifications. The aggregate amount of all task orders will not exceed \$450,000.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into a contract change order or change order amendment with Cubic in an amount not to exceed \$450,000 for the services described above, subject to Commission approval of the FY 2014-15 agency budget.

iv. Contract Change Order – Annual Price Adjustment: Cubic Transportation Systems, Inc. (\$250,000)

The Clipper[®] Contract allows for annual adjustment of prices based on industry-specific labor and materials indices published by the Bureau of Labor Statistics (BLS). The inclusion of Contract terms and conditions enabling annual adjustment of prices is necessary because Cubic provides services over a multi-year time-span. The adjustment of prices applies to capital and operating expenses; the Clipper[®] Contract explicitly prohibits adjustment of prices where Cubic has failed to meet a mandatory milestone and where the failure to meet a milestone is the Contractor's responsibility, i.e. the Contract prohibits the Contractor from profiting from delay. This change order adjusts prices in the Clipper[®] Contract by 0.6% retroactively for FY 2013-14, which is equivalent to an estimated increased capital expense of approximately \$25,000, and it provisionally adjusts prices for FY 2014-15 by 3% pending release of industry-specific data by the BLS, which is equivalent to an estimated increased capital expense of \$225,000. The change order does not include a fixed increase in operating expenses, because transaction volume over the coming year will determine the increased operating expense.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into a contract change order or change order amendment with Cubic in an amount not to exceed \$250,000 for the services described above, subject to Commission approval of the FY 2014-15 agency budget.



Steve Heminger

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Purchase Order

Work Item No.: 310-2700, 320-1221

Contractor: AT&T
Sacramento, CA

Project Title: Clipper® Network Services

Purpose of Purchase Order: Provide network communications and installation services for the Clipper® program during FY 2014-15.

Brief Scope of Work: Service fees and capital costs for network, frame relay, dial up, and Virtual Private Network/Multiprotocol Label Switching services connecting Clipper® card readers, other devices, data servers, and the Clipper® central system.

Estimated Project Cost: \$450,000

Funding Source: Transit Agencies

Fiscal Impact: Funding is subject to adoption of FY 2014-15 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a Purchase Order with AT&T for the purposes described herein and in the Executive Director's May 2, 2014 memorandum, and the Chief Financial Officer is authorized to set aside \$450,000 for such Purchase Order, subject to adoption of the FY 2014-15 agency budget.

Operations Committee:

Jake Mackenzie, Chair

Approved: Date: May 9, 2014

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 320-2700

Contractor: Auriga Corporation
Milpitas, CA

Project Title: Electronic Payment Implementation and Operations On-Call Consultants

Purpose of Amendment: Support Clipper® implementation projects and oversight of current system operations.

Brief Scope of Work: Provide program management, strategic planning, and operational monitoring and reporting support services for the customer service and associated operations functions of the Clipper® program through FY 2014-15.

Project Cost Not to Exceed: \$200,000 (this Amendment)
Total Contract value including Amendments before this Amendment = \$483,752
Total contract amount with this Amendment = \$683,752

Funding Source: STP, CMAQ, STA, and Regional Measure 2 Capital

Fiscal Impact: Funding is subject to adoption of FY 2014-15 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a Contract Amendment with Auriga Corporation, for the purposes described herein and in the Executive Director's May 2, 2014 memorandum, and the Chief Financial Officer is authorized to set aside \$200,000 for such Contract Amendment, subject to adoption of the FY 2014-15 agency budget.

Operations Committee:

Jake Mackenzie, Chair

Approved: Date: May 9, 2014

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order or Change Order Amendment

Work Item No.: 310-2700, 320-1221

Contractor: Cubic Transportation Systems, Inc.
San Diego, CA

Project Title: Operational Enhancements for Clipper® Operators

Purpose of Change Order: Execute time-sensitive changes to the Clipper® system to address customer-related and/or operational issues

Brief Scope of Work: To be defined in specific task orders.

Project Cost Not to Exceed: \$450,000 (this Change Order)
Total capital contract value including Change Orders before this Change Order = \$131,696,402
Total authorized capital contract amount with this Change Order = \$132,146,402 (this total does not include other May 9 contract approval actions).

Funding Source: STP, CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating

Fiscal Impact: Funds subject to adoption of FY 2014-15 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a Contract Change Order or Change Order Amendment with Cubic Transportation Systems, Inc., for the purposes described herein and in the Executive Director's May 2, 2014 memorandum, and the Chief Financial Officer is authorized to set aside \$450,000 for such Contract Change Order or Change Order Amendment, subject to adoption of the FY 2014-15 agency budget.

Operations Committee:

Jake Mackenzie, Chair

Approved: Date: May 9, 2014

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order or Change Order Amendment

Work Item No.: 310-2700, 320-1221

Contractor: Cubic Transportation Systems, Inc.
San Diego, CA

Project Title: Annual Price Adjustment

Purpose of Change Order: Adopt a provisional Clipper[®] Contract Price Schedule for FY 2014-15 that adjusts prices in accordance with the terms and conditions of the Clipper[®] Contract

Brief Scope of Work: Adjust prices in accordance with the industry-specific Bureau of Labor statistics indices agreed to by MTC and Cubic Transportation Systems, Inc.

Project Cost Not to Exceed: \$250,000 (this Change Order)
Total capital contract value including Change Orders before this Change Order = \$131,696,402
Total authorized capital contract amount with this Change Order = \$131,946,402 (this total does not include other May 9 contract approval actions).

Funding Source: STP, CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating

Fiscal Impact: Funds subject to adoption of FY 2014-15 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into one or more Contract Change Orders or Change Order Amendments with Cubic Transportation Systems, Inc., for the purposes described herein and in the Executive Director's May 2, 2014 memorandum, and the Chief Financial Officer is authorized to set aside \$250,000 for such Contract Change Order or Change Order Amendment, subject to adoption of the FY 2014-15 agency budget.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: May 9, 2014